

RHODE ISLAND COMMUNITY INVESTMENT LOAN FUND WORK GROUP

Final Report  
Advisor: Michael Swack

January 25, 1986  
Ray Neirinckx

I. PROJECT EVALUATION: Since October, the Loan Fund Work Group has met only once. The meeting held in November was for the expressed purpose of discussing the timelines and placing the structural activities of the loan fund (by-laws, articles, capitalization) in abeyance.

As coordinator of the Work Group, I took initiative in developing three supporting projects in the area of housing. These projects, which are detailed in the appendix, are the reactivation of HMOC; the Home Mortgage Opportunity Committee, the creation of the RICRA; the RI Community Reinvestment Association, and the nascent RI Housing Partnership. The Loan Fund has been vocal and active in these projects serving to generate interest in the loan fund and establishing the loan fund as an advocate of program and policies which promote community economic development in our low- and moderate income communities.

II. PROGRESS: The Legal subgroup is scheduled to meet on the 31st of January to write up both by-laws and articles of incorporation for the Work Group. The lawyer who is most active has also been the catalyst for the housing projects. We did lose one committee member also an attorney, very strong on CED, who returned to New York. The level of support for the loan fund continues to grow. Much to the amazement of myself, members of the Work Group began calling me to ask for a meeting of the Work Group. In February, our expectation is that the housing programs will be settling down in regard to the time commitment that members of the Loan Fund have made to their development. Therefore, our timelines are roughly three to four months behind. Revised they are as followed:

February: by-laws/articles complete.

March: board development, preliminary capitalization plan.

April: program development, active development of capitalization.

May: lending priorities and administrative issues.

Summer: hire fund manager, solicit proposals, set action agenda for coming Lending year.

We are confident that the timelines are realistic and attainable given the participation of work group members to date.

As coordinator of the project I have seen since my initial report for this project, a tremendous growth in my abilities to manage and direct a project of this scope. This is a tribute to the program.

In my last interim report, I reported that the questionnaire was mailed to about 75 community organizations on a statewide basis. As of January 20, only three have come back. It should be noted that I have discussed the questionnaire with about 30 of the groups. One of my priorities for February is to increase the return rate to 45 surveys in total. In reviewing the three questionnaires and the responses in talking with groups is that very few organizations which state they are working to preserve housing or encourage business development in poor neighborhoods are not engaged in actual program activity.

Most of the organizations are advocates for their stated purposes but lack either the capacity or financing to pursue a CED strategy for their organizations. As more surveys are received I will be more able to assess this issue. What is clear however, even in cursory discussion with groups interested in CED, is that Rhode Island charities and foundations do not recognize the need to fund advocate/organizing groups. Through our activities in the CRA group we have stated to bank officials that any programs which are created must be in coordination with the bank's gift-giving programs. It does not make any sense to establish a large pool of capital for housing or job generation if community groups can not be role players in those developments. What I propose for the Loan Fund is the following, and requires technical assistance from the CED program: A Donors Forum.

The Forum would be held in the fall of 1986. The forum would be similar to the forum held in Chicago in the fall of 1985 (see article attached-NEIGHBORHOOD WORKS). Our goal would be to attract at least one representative from each of the foundations, charities, and gift-giving institution in the state with representatives from community groups to discuss private philanthropy in relation to organizations engaged in CED, advocacy, and organizing. Given the current national retrenchment of federal dollars in housing and job generation a forum of this nature would encourage new partnerships not only from private philanthropists but also from local government. The Work Group because of its makeup has the ability to initiate such a forum and through legislation which will be introduced this legislative session, we expect greater interest in the field of community economic development. I will be contacting Chicago about their Forum. I also expect to meet with my advisor in late February/early March to discuss further this activity.

III. TECHNICAL ASSISTANCE: The Loan Fund was a participant of the first national conference of community loan funds. We expect to become a part of a national federation of loan funds. The loan fund because of temporary cessation of program development has not requested any T.A., However, we will be working more actively on the loan fund in February and will request additional support from both my advisor and ICE in our project. We will also be writing a grant for some initial monies to staff the project beginning this summer. Our Work Group expects to submit its papers/documents for inclusion in the national federation in March. We have also identified a worker managed printing company; North Star, which we expect to develop our stationary. We have also identified an artist (locally) who will work on developing a logo for the loan fund.

IV. ANALYSIS/CONCLUSIONS/RECOMMENDATIONS: What people can learn from this project is the need for clear, concise programs that cut across differences in tactics and philosophy. Build your project out of established coalition in the community. The importance of the coordinator to admit weaknesses and mistakes. This was extremely important for the RI loan fund, I was willing to learn from my mistakes, willing to involve members in all planning because I knew I had more to learn and I wanted members to take risks in being members themselves.

The success of the Work Group has been the participation of individuals and organizations that in the past have not worked together on activities. In meetings and in discussions with individuals I have stressed the imperativeness of people to work together in order to return economic and social power back to community life by actively participating in the decisions of financial viability of our poor communities. The last lesson for people is TIME. This was and is a serious activity area which is not given adequate discussion at the school of CED. I was lucky enough that I was in a position (lead organizer) where the organization could not afford to lose my position. Unfortunately, most organizations are not structured as such and thus projects are predicated by current position/life station. In my first term it became quite apparent that I could not handle the amount of course work, a project (separate from my job) plus my work and continue to do well in the program. I negotiated with my directors a settlement in which I would work only four days a week with every Friday off. Although there were times that I did work on Friday, I was able to devote time and energy to my project. This allowed opportunity for meetings and program activities that normally would have interfered with my job. Because of funding cutbacks, my position will end this summer. I then hope to assume responsibility for managing the loan fund. However, it should be noted that the lesson of time is a vital factor for ensuring the success of any CED project.

With any hesitation the Loan Fund has been successful. Granted, we are four months behind but we are actively involved in three other projects that more than likely would not be around if the Loan Fund had not been involved. Members still feel confident that by the fall of 1986 we can begin to make loans for projects. With continued support from my advisor it is realistic that the Loan Fund will be operation in the fall.

The steps to be taken next are to reactivate the legal subgroup which is planned for the end of January. The commitment of members to hold to the new timelines and beginning planning of a fall Donors' Forum. Media outreach will also take precedent in the spring both in the printed media and educational programs. Brown University is scheduled to have a seminar on ethical investing, we hope to be included in the program. We will also seek to become more involved with the national effort for community loan fund development. Through our efforts with the housing campaigns it is clear that the RI Community Investment Loan Fund Work Group has become an important voice for CED and will rededicate itself in the next few months to make the Loan Fund a viable financing tool for economic empowerment and social justice.

What was learned about attitudes and politics from this project is simple; people in RI are committed to working for economic empowerment, are committed to working for structural changes which requires a willingness to put aside difference and seek bonds of commonality. The strength of this whole project has been the linkages, the bonds of activities which has served to catalyze a new movement toward self-determination for our neighborhoods. People have begun to realize

that we, as activists, as CED practitioners, can change our communities through control of and active participation in how our communities are developed and financed.

The lesson to anyone wishing to start a loan fund is take the risk, take the opportunity to challenge our preceptions or policies or politics. The lesson is also generational, do not design a project which can be neatly completed in the one year timeframe of the CED program. My success with the RICILF Work Group is that its' only a beginning, a foundation for a vision and a program which has implications far reaching from simply acquiring a degree. The most important, lasting lesson from the program is that CED is long term. It requires patience and committed people willing to sacrifice easy victories and the spotlight. The Loan Funds' success is that we're not finished we've just begun.

The appendices will include the housing campaign and all of my reports on the Loan Fund to date.